Quality of Work Life and Employee Performance in Insurance Sector

Introduction

The story of insurance is probably as old as the story of mankind. The same instinct that prompts modern businessmen today to secure themselves against loss and disaster existed in primitive men also. They too sought to avert the evil consequences of fire and flood and loss of life and were willing to make some sort of sacrifice in order to achieve security. Though the concept of insurance is largely a development of the recent past, particularly after the industrial era – past few centuries – yet its beginnings date back almost 6000 years.

The government of India established Insurance Regulatory Development Authority (IRDA) in the year 1999. IRDA controls and monitors the activities of life insurance companies, general insurance companies. Life Insurance includes all the risks related to the lives of human beings and general insurance covers the rest. In order to avoid the financial burden faced by the affected person, insurance was introduced. Insurance company has various departments such as sales, accounts, claims, customer care, operation, investment etc. Employees working with these departments have several works to do. Especially private life insurance and general insurance company employees have more work pressure. Their office commitment is higher than that of government insurance company employees. To improve the job satisfaction level of the employees, they are motivated by the management.

Quality of Work Life

Quality of Working Life is a process of work organizations which enables its members at all levels to actively participate in shaping the organization environment, methods and outcomes.

Conceptual categories which together make up the quality of working life are adequate and fair compensation, safe and healthy working conditions, immediate opportunity to use and develop human capacities, opportunity for continued growth and security, social integration in the work organization, work and the total life space and the social relevance of work life. Quality of Work Life was the term actually introduced in the late 1960's. From that period till now the term is gaining more and more importance everywhere, at every work place. Every organization needs to give good environment to their workers including all financial and non-financial incentives so that they can retain their employees for the longer period and for the achievement of the organization goals. The concept of QWL is based on the assumption that a job is more than just a job. It is the centre of a person's life. In recent years there has been increasing concern for QWL due to several factors: Increase in education level and consequently job aspirations of employees; Association of workers; Significance of human resource management; widespread industrial unrest; Growing of knowledge in human behaviours, etc

QWL refers to an employee satisfaction with working life. It is a multidimensional concept and covers an employee's feelings about various dimensions of his or her work including the job content, work environment, pay and reward systems, training and career development opportunities, participation in decision-making, occupational health and safety, work stress, job security, organizational and interpersonal relations, and the relationship between life on and off the job.

QWL and Performance

Improving employees' QWL is a prerequisite to increase their organizational productivity. High QWL organizations achieve better productivity and become highly competitive. Positive results of QWL include reduced absenteeism, lower turnover and improved employee job satisfaction. QWL enhances employees' dignity through job satisfaction and humanizing the work by assigning meaningful jobs, giving opportunities to develop human capacity to perform well, ensuring job security, adequate pay and benefits, and providing safe and healthy working conditions.

Review of Literature

Though not much has been contributed by the academicians and researchers about the quality work life and employee's performance in insurance, some related studies on the same type of problem have been undertaken in the past. These include:

G. Nasl Saraji, H. Dargahi (2006), *"Study of Quality of work life",* concluded that the majority of employees were dissatisfied with occupational health and safety, intermediate and senior managers, monetary benefits, balance between the time they spent working and with family and also indicate that their work was not interesting and satisfying.

Baitul Islam Mohammad (2010), *"Factors Affecting Quality of Work Life: An analysis on Employees of Private Limited Companies in Bangladesh",* concluded that an appropriate organization cultures, compensation policy, career growth and relative facilities can lead to a satisfied employee mindset which ensures the overall organizational productivity. The companies can focus on their employee's welfare by providing them a better and attractive compensation policy, optimum work load and by providing a superior work environment.

P. Reddy Mohan, M. Reddy Lokanadha (2010), *"Quality of work life of employees: Emerging dimensions",* stated that quality of work life has been increasing several factors. These include increase in education level and consequently job aspiration of employees and growing of knowledge in human behavior. The elements of quality of work life comprise of health and well being, job security, job satisfaction and the balance between works with non

work life. In this context, for improving the quality of work life different groups have been taken responsibility such as employers, managers, workers, professional organizations.

Rita Goyal (2010), *"Quality of working life in Insurance sector",* concluded that employees of LIC are happy with the working conditions in LIC but the level of dissatisfaction arises where there is less growth opportunities with them. They are not provided with extra care like health camps etc. Poor work life balance leads to many disastrous things like tardy, bad performance, lack of motivation, more errors, absence of work and so on.

Kalayanee Koommee, Busaya Virakul, Dong – Jin Lee, (2010*),"Ethics Institutionalization, Quality of work life, and employee job related outcomes: A survey of human resource managers in Thailand",* concluded that ethics institutionalization is positively related to lower order and higher order quality of work life and higher order quality of work life is positively related to job satisfaction and not positively related to organizational commitment.

Indumathy R and Kamalraj. S. (2012), "*A study on Quality of work life among workers with special reference to textile industry in Tirupur District".* concluded that the major factors that influence and decide the quality of work life are attitude, environment opportunities, nature of job, people, stress level, career prospects, challenges, growth and development and risk involved in the work and rewards. It also states that it is the responsibility of the organization to focus on their workers and improve their quality of work life so that attrition, absenteeism and decline in worker's productivity can be checked.

Singh Tripti, Sumit Kumar Srivastav (2012), *"Quality of Work Life and Organizational Efficiency: A proposed Framework",* concluded that the efficiency of an organization depends on their work environment, working methodology and degree of employee satisfaction. The level of employee motivation is dependent on elements like job security, reward system, job satisfaction, and satisfaction of social, physical and personal needs.

J. Roman, O. Odera, P. Chepkuto, O. Okaka (2012), "*Effects of Quality of Work Life on Job Performance: Theoretical Perspectives and Literature Review",* stated that QWL is one of the most important workplace issues of the modern times. The literature indicates strong relationship between employees' well-being at work and performance of such organizations. The summaries of QWL variables captured are applicable to almost all organizations. The importance of considering QWL, organization performance and motivation is demonstrated in the strong relationship between employee's well-being at work and performance of such organizations.

Dr. Valarmathi A. and Dr.Bhalakarishnam Hema (2013), *"A Study on Quality of Work Life in Textile Sector In and Around Coimbatore District",* stated that for every individual leading peaceful life in the comfort zone is the highest priority. Quality work life stands first in describing the job satisfaction and job related satisfaction. The organization has to prepare to pay for all such fundamental expectations of employees to have a quality work force which are fair compensation and job security, health is wealth, provide personal and career growth opportunities, work life balance, stress management.

Birjandi Masoud, Birjandi Hamid, Sharafi Ali and Mihandoost Ramin(2013), "*The Relationship between Quality of Work Life and Performance of the Managers of SMEs of Shiraz Industrial Town- Case study in Iran",* found that research result shows a positive and significant relationship between components of quality of work life and staff's performance. These components have a significant impact on performance. They are valuable factors to enhance performance. Managers should use appropriate strategies to achieve the most possible productivity. Components of the quality of work life are fair and sufficient payment, providing growth opportunity, continuous security.

Farjad Rajabi Hajieh (2013), *"Study of Relationship of Quality of Work Life (QWL) and Organizational Commitment",* stated that there is a significant relationship between independent and dependent variables. However, there is a reverse and significant relationship between salary and allowances, health security , work conditions and development of human capabilities with continuous and normative subscales of organizational commitment.

Kiriago Nyagechi Aloys, Prof. Beoisa M. Henry (2013), "*Working environment factors that affect quality of work life among attendants in Petrol stations in Kitale Town in Kenya",* concluded that working environment aspects affect quality of work life. Poor safety and health conditions inadequately affect the quality of work life of the employee. It has also concluded that there is poor quality of work life at the stations because most of the employees work under pressure and poor quality of work life is also aggravated by lack of adequate tools that are required to perform duties effectively.

Anwar, Mahmoud, Rusinah Siron, Ahmad (2013), *"The drivers of quality of work life: A Critical Review",* stated that Quality of work life is a complex issue, and is a combination of job environment and personally overall

assessment process of job variable. The findings of the study reveal that the most frequent drivers are reward system, benefits and compensation, career development opportunities, communication, safety and security. It also states that the most important driver is financial rewards.

Gayathiri R, Dr. Ramakrishnan Lalitha (2013), "*Quality of work life – linkage with job satisfaction and performance",* concluded that measuring quality of life is a difficult task as different employees have different concept in thinking and considering different situations accordingly. It also states that there is a positive relationship between quality of work life, job satisfaction and performance.

G.Balachandar, Dr. N. Panchanatham, Dr. K. Subramaniam (2013), "*Quality of Work life the power of Insurance Company: Impact of personal factors on the quality of work life of the officer's",* concluded that type of officers have influence on the quality of work life. The existence of quality of work life in the insurance company enhances the job satisfaction, job performance, productivity and involvement of officers. It has also concluded that management is responsible for the presence of quality work life in the insurance company which ultimately results in quality of the service and satisfaction of the customers and agents.

Identification of Research Gap

S.No	Author	Study	Scope &Area	Year
1	G. Nasl Saraji H. Dargahi	Study of Quality of Work Life	Hospital Employees,Iran	2006
2	Baitul Islam Mohammad	Factors affecting Quality of Work Life: An analysis on Employees of Private Ltd Companies in Bangladesh	Bangladesh	2010
3	P.Reddy Mohan M.Reddy Lokan	Quality of Work Life of Employees:Emerging Dimensions	Andhra Pradesh	2010
4	Kalyanee Koommee, Busaya Virakul Dong-Jin Lee	Ethics Institutionalization, Quality of Work Life, and Employee job related outcomes: A survey of Human Resource Managers in Thailand	Thailand	2010
5	Rita Goyal	Quality of Work Life in Insurance Sector	Employees of LIC, (Ambala)	2010
6	Singh Tripathi Sumit Kumar Shrivastav	Quality of Work Life and Organizational Efficiency: A Proposed Framework	Allahabad	2012
7	J. Roman O. Odera P. Chepkuto O. Okaka	Effects of Quality of Work Life on Job Performance: Theoretical and Literature Review	Kenya	2012
8	Indumathy R. Kamalraj S.	A Study on Quality of Work Life among Workers with special reference to Textile industry in Tirupur Industry	Textile Industry,Tirupur District	2012
9	G. Balachandar Dr. N Panchanatham Dr.K	Quality of Work Life the Power of Insurance Company: Impact of Personal Factors on the	Insurance Company,Tamil Nadu	2013

	Subramaniam	Quality of Work Life of the officer's		
10	Gayathiri R. Dr. Ramakrishan Lalitha	Quality of Work Life Linkage with job satisfaction and performance	Sector Hospital,Pondicherry (Karaikal)	2013
11	Anwar Mohammad Rusinah Siran Ahmad	The drivers of Quality of Work Life: A critical Review	Malaysia	2013
12	Kiriago Nyagechi Aloys Prof. Beoisa M. Herry	Working Environment factors that affects Quality of Work Life among attendants in Petrol Stations in Kitale Town in Kenya	Kital Town,Kenya	2013
13	Farjad Rajabi Hajieh	Study of Relationship of Quality of Work Life and Organizational Commitment	Communication and Infrastructure Company,Iran	2013
14	Birjandi Masoud Birjandi Hamid Sharafi Ali Mihandoost Ramin	The Relationship between Quality of Work Life and Performance of the Managers of SMEs of Shiraz Industrial Town Case Study in Iran	Iran	2013
15	Dr.Valarmathi A Dr.Bhalakaishan	A Study on Quality of Work Life in Textile Sector: In and around Coimbatore District	Textile Sector,Coimbatore District	2013

Research Gap

The above table summarizes the various articles/ research papers related to the topic. Based on the table the researcher has identified some gaps, which are as follows:

- Not much research has been done related to Quality of work life and Employee performance with specific reference to Rajasthan.
- Emphasis on learning and career development which is an important component of Quality of work life has also not been taken into consideration in most of the reviewed articles.

Significance of the study

Insurance is a growing sector. This sector stood at a strong US $ 72 billion in 2012 and has a potential to grow to US $ 280 billion by 2020. Insurance has had a very positive impact on India‘s economic development. This sector is gradually increasing its contribution to the country‘s GDP. In addition, insurance is driving the infrastructure sector by increasing investments each year. Further, insurance has boosted the employment scenario in India by providing direct as well as indirect employment opportunities.

Quality of work life plays an important role in shaping an organization and the performance of an employee. Distinctive studies have been conducted on the topic of Quality of work life and employee’s performance but no study has been undertaken as far as my knowledge goes, showing the relationship of Quality of work life and employee’s performance, specifically in the Insurance sector of Rajasthan.

Variables

In this study the following variables will be considered.

Independents

1. Rewards, Benefits and Compensation
2. Job Satisfaction
3. Learning and Career Development
4. Safety and Security
5. Employee Motivation
6. Job design

Dependents

(Cause & Effect)

1. Growth in sale
2. Reduced Absenteeism
3. Employee knowledge
4. Pride in their work
5. Enhancing the Company productivity
6. Work Richness

Objectives

The main objective of the proposed study is to analyse the impact of quality of work life on employee performance in insurance companies of Rajasthan. The objectives can be summarized as:

1. To identify various dimensions and factors that influences the quality of work life in insurance sector.
2. To analyze the perception of employees towards quality of work life based on designation.
3. To examine the impact of quality of work life on performance of employees.
4. To identify the recent practices adopted in insurance sector to improve performance of employees.

Hypothesis

For the purpose of analysis, the following hypothesis has been formulated:

$H(o)_1$: There is no significant impact of quality of work life on performance of employees.

$H(a)_1$: There is a significant impact of quality of work life on performance of employees.

Research Design

This is an exploratory and descriptive research study.

Universe

The universe of the study is Rajasthan.

Scope of the Study

For the purpose of the proposed study following Insurance Companies will be taken. Following are the leading insurers in India according to IRDA in 2013

- Bajaj Allianz Life Insurance Company Limited
- HDFC Standard Life Insurance Company Limited
- ICICI Prudential Life insurance Company Limited
- TATA AIG Life Insurance Company Limited
- SBI Life Insurance Company Limited
- Bajaj Allianz General Insurance Company Limited
- HDFC ERGO General Insurance Company Limited
- ICICI Lombard General Insurance Company Limited
- TATA AIG General Insurance Company Limited
- SBI General Insurance Company Limited

This Study will examine the impact of quality work life on employee performance in these different insurance companies.

Sample Size

Sample size will be 400.

Sampling Method

In this study stratified random sampling will be used.

Data Collection

Both primary and secondary sources will be used to collect the data. Primary data will be collected through structured questionnaire.

Secondary information will be collected through web sites, journals books, magazines etc.

Analysis of Data

Data so collected will be tabulated suitably for the purpose of the analysis.

Appropriate descriptive statistical tools like arithmetic mean, standard deviation, coefficient of variation, correlation analysis and diagrammatic presentation can be used for interpretation of data.

Appropriate inferential statistical tools like Chi-square test, ANOVA etc. can be applied for hypothesis testing.

Factor analysis will also be done to find out the most important factors that influences the quality of work life in insurance sector.

Limitations

The study may have some limitations.

Chapterisation

Chapter1: Introduction

1.1 Quality of work life – Meaning

1.2 Dimensions of Quality of work life

1.3 Benefits of Quality of work life

1.4 Techniques for improving Quality of work life

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2.4.5 SBI Life Insurance Company Limited

2.4.6Bajaj Allianz General Insurance Company Limited

2.4.7TATA AIG General Insurance Company Limited

2.4.8HDFC ERGO General Insurance Company Limited

2.4.9ICICI Lombard General Insurance Company Limited

2.4.10SBI General Insurance Company Limited

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Chapter4: Data Analysis and Interpretation

Chapter5: Conclusion and Suggestions

5.1Findings

5.2Conclusion

5.3Suggestion for future research

5.4 Implication of the study

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Appendices

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